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## Redmond's Ultreo prepares launch of ultrasound toothbrush

By Kirsten Orsini-Meinhard  
*Seattle Times business reporter*

Founders of startup company Ultreo might have some of the cleanest mouths in the Seattle area.

At least, that's what they think.

The company has introduced an ultrasound toothbrush that it claims is more effective than any power toothbrush on the market.

Jack Gallagher, Ultreo chief executive and co-founder, knows something about the subject since he's the former president of Seattle-based Optiva, developer of Sonicare toothbrushes. Optiva was acquired by Royal Philips Electronics in 2000, becoming Philips Oral Healthcare.

Like other power toothbrushes already on the market, the Ultreo is considered a "sonic" toothbrush, which means it has bristles vibrating at a very high speed, like a tuning fork.

What's different is that the Ultreo also uses low-level ultrasound as part of the teeth-cleaning process. The ultrasound activates bubbles of foam in the user's mouth and causes them to clean plaque and bacteria, according to the company.

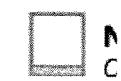
[Ultreo, the company](#)

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Jack Gallagher is CEO and co-founder of the company.



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**CEO and president:** Jack Gallagher, 58  
**Location:** Redmond  
**Employees:** 57  
**Toothbrushes manufactured to date:** About 6,000  
**Projected revenue in 2007:** \$16 million  
**Source:** Ultreo

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It's being sold through dentists and on Ultreo's Web site for \$149 and will be available in high-end retail stores by the holiday season this year.

The company began selling its toothbrushes to dental offices in late February, and Gallagher is projecting rapid growth with revenue of \$16 million, or 200,000 toothbrushes, this year.

The company is hoping sales will triple by 2008, and reach \$100 million three years from now.

Gallagher is also angling to give the Sonicare toothbrush some serious competition.

Already, Ultreo has unseated Sonicare as the exclusive power-toothbrush sponsor of the Seattle Study Club, a local networking and education group for dental professionals. Sonicare had held that distinction since 2002, and Gallagher won't say what Ultreo paid for the sponsorship.

### Ultreo, the brush

#### Origins of the name

It combines "ultra" for ultrasound technology with "treo," indicating the three parts of the toothbrush's cleaning process.

#### How it works

The bristles vibrate at a high speed. The ultrasound transducer activates bubbles. The bubbles clean off plaque and bacteria.

**Source:** Ultreo

That's an indication of the competition that could ensue between the two toothbrush makers.

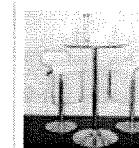
"The dental hygienists have to decide if it's going to succeed," said Gallagher about his product. "We just have to be better."

#### Sales expansion

While Gallagher was president of Optiva between 1999 and 2002, Sonicare sales expanded from \$130 million to \$300 million. Sonicare toothbrushes



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are still manufactured at the company's facility in Snoqualmie.

But by the time Gallagher came onboard, the Sonicare brand had been around for seven years and Optiva had already been ranked near the top of the Inc. 500 fastest-growing private companies.

Gallagher wanted the challenge of a startup company in the industry that he knew best: power toothbrushes.

In 2003, he met Pierre Mourad, a research associate professor in the University of Washington's Department of Neurological Surgery, who invented the ultrasound technology behind the toothbrush at the UW and is now a consulting scientist at the company.

Ultreo secured \$3 million in initial financing, largely from angel investors, and \$250,000 in Washington Technology Center grants over about 18 months. It secured another \$8.5 million in funding led by Polaris Venture Partners in January 2006, and is working to raise another \$11 million.

During the last four years on research and development, the company has moved twice, increasing its space to 35,000 square feet at its facility in Redmond. Its employee base has grown from a handful of people to 57.

Ultreo's strategy is to first convince dentists and hygienists of the product's potential, and let them sell it in their offices. Then the company will move into consumer marketing. It's the same approach that Sonicare took with its toothbrush line.

Consumers will have to be willing to shell out \$149 -- the high end of the scale for a power toothbrush. Typically, they range from \$30 to \$150.

The toothbrush's low-level ultrasound waves don't affect any other part of the body while brushing, Gallagher said.

The company has commissioned nine studies to prove its product works, though these have been limited in size.

In one laboratory study through the University of Washington, the toothbrush was compared with Sonicare's Elite toothbrush and Oral-B's Triumph in removing plaque bacteria on surfaces the bristles didn't actually touch. Ultreo was shown to remove 65 percent of the bacteria, compared with Sonicare's 15 percent and Oral-B's 10 percent.

### **Toothbrush study**

In another study of 33 people through a Canadian research company, Ultreo removed up to 95 percent of plaque in the first minute of brushing.

So far, explaining the technology hasn't been a problem, said Sharen Ross, the company's director of marketing.

"Consumers have been a lot less confused about it than we thought," she said.

Diane Melrose, the chair of dental hygiene at the University of Southern

California's School of Dentistry, said there's likely a market for Ultreo's toothbrush, although the price might limit its appeal.

"There are good choices out there right now," she said. "It just depends on how much different this is going to be, to see if it can kind of outweigh the advantages of the others."

Consumers typically get excited about products simply because they are new, but dental professionals will want to be convinced that the brush is superior, Melrose said. They'll look more closely at the company's studies on its product.

Sonicare has a market share of about 41 percent in the rechargeable toothbrush segment, and Philips doesn't expect Ultreo to be a big threat. The company is "very comfortable and confident" in its position, said Shannon Jenest, a spokeswoman for Philips' domestic appliances and personal care division.

"Anything that's seen as innovation or advanced technology to the consumer is going to help with the overall category," Jenest said.

Ultreo does the bulk of its manufacturing in-house, with no plans to outsource the work anytime soon. One reason is that the company, which has applied for eight patents, isn't eager to deal with the challenges of manufacturing a product in another country where patent protection could be an issue.

At its Redmond facility a huge sign hangs above the manufacturing area, indicating the number of toothbrushes made to date: 3,028.

That number is wrong, though. The company's output has ramped up so quickly that it's actually produced about 6,000 units and workers haven't had time to change the sign, Gallagher said.

There's now a four-to-six week wait on the toothbrushes.

"Sales have been great," he said. "Our biggest challenge is getting production up to demand."

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